A0400-1

The Aluminum Situation

ECONOMICS AND STATISTICS — NOVEMBER 1990

INDUSTRY SHIPMENTS DOWN 4.1 PERCENT FROM 1989

Industry shipments continue to decline in 1990. Through the first nine months, net shipments totaling 11,923 million pounds, decreased 4.1 percent from the 1989 comparative level of 12,426 million pounds. Domestic shipments, totaling 10,031 million pounds, were down 6.6 percent from the 1989 total of 10,741 million pounds.

U.S. exports of aluminum ingot and mill products, totaling 1,891 million pounds during the first nine months, have increased 12.2 percent from the 1989 total of 1,685 million pounds.

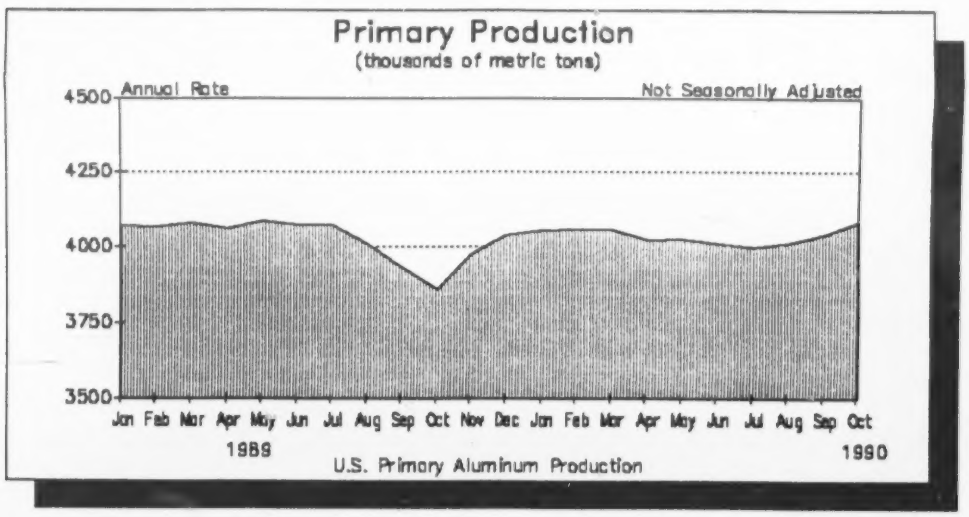
THRU SEPTEMBER 1990

	1990 9 Mos.	1989 9 Mos.	% Change
Mill Products	9,774	9,979	-2.1
Ingot	2,149	2,447	-12.2
Total	11,923	12,426	-4.1
Less Exports	1,891	1,685	12.2
Domestic Total	10,031	10,741	-6.6

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

PRIMARY PRODUCTION DAILY RATE REPORTED AT 11,199 METRIC TONS

U.S. primary aluminum production averaged 11,199 metric tons daily during October 1990. This compares with an average of 10,586 metric tons a day in October 1989 and 11,082 metric tons a day in September 1990. The annual rate of production in October 1990 was 4,087,647 metric tons compared with 3,863,737 metric tons in October 1989 and 4,045,052 metric tons in September 1990. Production in October 1990 totaled 347,170 metric tons.



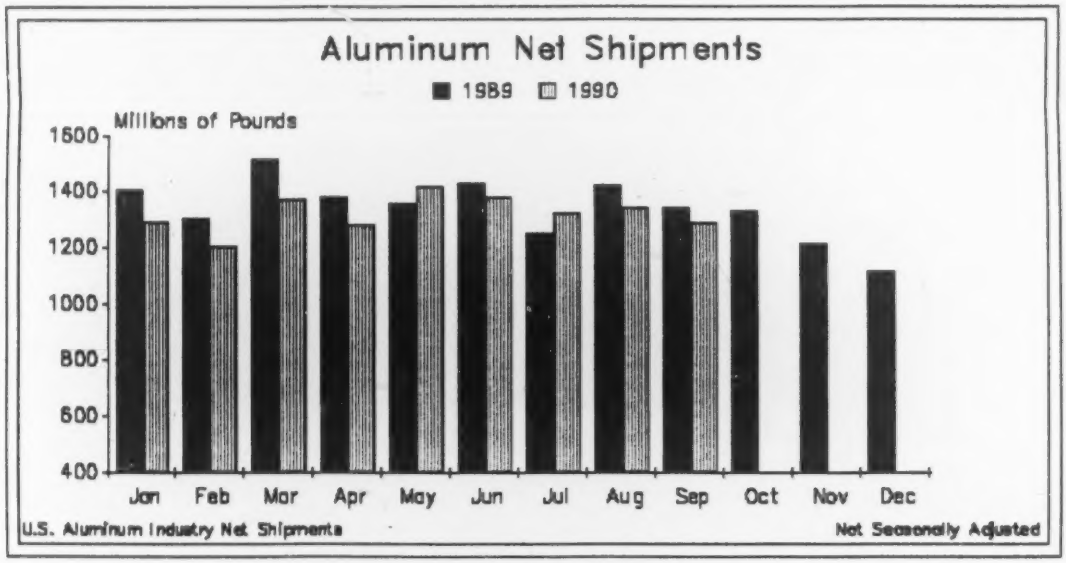
This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Association
900 19th Street, N.W., Washington, D.C. 20006
Phone (202) 862-5100

SEPTEMBER INDUSTRY SHIPMENTS REPORTED AT 1,290 MILLION POUNDS

September industry net shipments totaling 1,290 million pounds decreased 3.9 percent from the previous month's revised total of 1,344 million pounds. Year-to-date, industry net shipments totaling 11,923 million pounds, decreased 4.1 percent from the 1989 level of 12,426 million pounds for the same period.

During the first nine months of 1990, producer shipments of aluminum rod, bar and wire, totaling 238 million pounds, increased 45.4 percent over the previous year while shipments of sheet, plate and foil totaling 6,413 million pounds have decreased 2.6 percent. Shipments of extruded shapes and tube, totaling 1,927 million pounds, declined 5.1 percent from the same period in 1989.

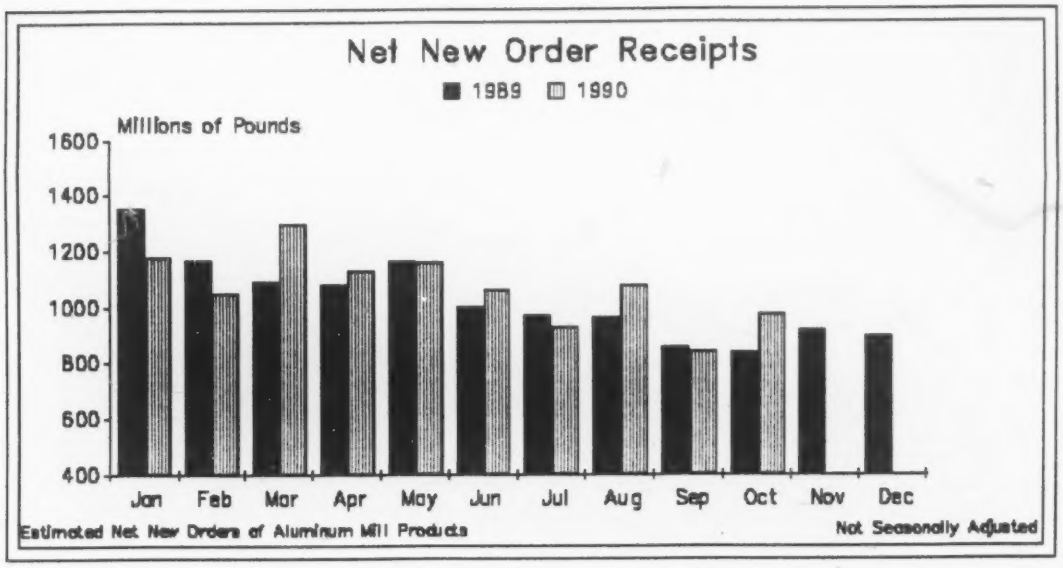


NET SHIPMENTS (Millions of Pounds)	1990 Sept.	1989 Sept.	1990 9 Mos.	1989 9 Mos.	% Change 1990 vs 1989
Sheet	596.7	604.9	5,530.1	5,673.1	-2.5
Plate	19.9	27.0	192.0	239.6	-19.8
Foil	77.6	75.7	690.9	673.3	2.6
Rod,Bar & Wire	23.6	20.9	238.3	163.9	45.4
Elec. Conductor	44.4	54.9	450.1	531.6	-15.3
Extruded Shapes,Tube	193.8	220.9	1,927.4	2,031.0	-5.1
Powder & Paste	8.5	8.4	74.7	70.1	6.5
Forgings & Impacts	11.6	12.6	117.3	120.3	-2.6
Net Imports of Mill Products (Total) (a)	57.6	44.0	552.8	476.3	16.1
Total Mill Products	1,033.7	1,069.3	9,773.5	9,979.2	-2.1
Ingot	256.5	273.6	2,149.2	2,447.2	-12.2
TOTAL INDUSTRY SHIPMENTS	1,290.2	1,342.9	11,922.7	12,426.5	-4.1
Exports	207.3	187.7	1,891.5	1,685.1	12.2
TOTAL DOMESTIC SHIPMENTS	1,082.9	1,155.2	10,031.2	10,741.4	-6.6

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cummulative data includes revisions for previous periods
(a) Not included in product data above.

INDUSTRY NEW ORDERS UP 2.0 PERCENT OVER 1989

Estimated net new order receipts of aluminum mill products for ten months of 1990 totaling 10,711 million pounds, increased 2.0 percent from the previous year ten month total of 10,502 million pounds. During the month of October, industry order receipts totaling 974 million pounds, jumped 15.7 percent over the previous month total of 842 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1990 October	1989 October	1990 10 Mos.	1989 10 Mos.	% Change 1990 vs 1989
Sheet & Plate, Other	303.7	237.4	3,541.0	3,424.3	3.4
Can Stock (a)	273.2	193.1	3,178.6	3,056.1	4.0
Foil	87.8	86.4	857.7	843.2	1.7
Bar, Rod & Wire	49.5	35.6	451.2	346.3	30.3
Electrical Conductor	46.4	55.1	462.9	556.5	-16.8
Extruded Shapes & Tube	182.7	206.8	1,982.4	2,050.8	-3.3
Powder & Paste	12.9	8.1	110.2	94.2	17.0
Forgings & Impacts	18.1	17.1	127.1	130.7	-2.8
Total Mill Products	974.3	839.6	10,711.1	10,502.1	2.0

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cummulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES UP 64 MILLION POUNDS

Producer inventories increased in September 1990 to a reported total of 4,040 million pounds. This represents an 64 million pound increase from the revised August level of 3,976 million pounds.

Month-End Aluminum Producer Inventories
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
July	4,076r	1,366r	606r	2,104r
August	3,976r	1,310r	624r	2,042r
September	4,040	1,353	636	2,050

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 33.9 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of September 30, 1990 was 33.9, up 3.3 percent from inventories reported at the end of August.

Month-End Aluminum Customer Inventories
(Average Number of Days)

July	34.1
August	32.8
September	33.9

Source: Aluminum Association - Customer Inventory Position Survey

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U.S. IMPORTS & EXPORTS (Millions of Pounds)		1990 Sept.	1989 Sept.	1990* 9 Mos.	1989 9 Mos.	% Change 1990 vs 1989
Imports	Mill Products	77.5	67.1	768.3	731.6	5.0
	Ingot	169.2	184.4	1,710.1	1,658.7	3.1
	Total	246.7	251.5	2,478.4	2,390.3	3.7
	Scrap (+ dross)	50.1	39.8	461.4	364.3	26.7
	Grand Total	296.8	291.4	2,939.8	2,754.6	6.7
Exports	Mill Products	88.9	85.8	817.9	863.7	-5.3
	Ingot	118.4	102.0	1,073.6	821.4	30.7
	Total	207.3	187.7	1,891.5	1,685.1	12.2
	Scrap	101.3	117.3	817.1	964.6	-15.3
	Grand Total	308.5	305.1	2,708.6	2,649.7	2.2
Net Imports		-11.7	-13.7	231.2	104.8	120.5

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989